

Message Text

CONFIDENTIAL

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 EB-07 SS-15 SP-02 L-03 CIAE-00

INR-07 NSAE-00 PRS-01 /056 W
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R 212003Z JUL 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 543

INFO AMEMBASSY BANGUI

AMEMBASSY YAOUNDE

C O N F I D E N T I A L OTTAWA 2970

E.O. 11652: GDS

TAGS: EINV, EMIN, CI, CA

SUBJ: GOCAR/SCED DISPUTE

REF: STATE 177893

1. EMBOFFS DISCUSSED WITH GILES GRONDIN, DIRECTOR OF FRANOPHONE AFRICA DIVISION, EXTAFF, CURRENT GOCAR/SCED DISPUTE AND GOC EFFORTS TO RESOLVE PROBLEM. GRONDIN SAID HE HAD CALLED IN GOCAR AMBASSADOR AND EXPLAINED GOC CONCERN. (SIMILAR EFFORT BY GRONDIN LAST MARCH HAD RESULTED IN FREEING COMINCO REP IN BANGUI FROM HOUSE ARREST, ACCORDING GRONDIN.)

2. EXTAFF HAS ALSO SENT TELEGRAM TO CANADIAN AMBASSADOR IN YAOUNDE SUGGESTING, AT HIS DISCRETION, SEEK MEETING WITH BOKASSA TO DISCUSS DISPUTE. FOLLOWING IS TEXT OF CONFIDENTIAL CABLE GIVEN TO EMBOFFS:

"A. YESTERDAY DOUGLAS VICE-PRES. COMINCO MET WITH PDT RE COMINCO'S INTERESTS IN CAR. DOUGLAS BROUGHT ALONG LETTER SENT JULY 7 TO BOKASSA BY REGULAR MAIL (COPY BY BAG TO YOU). IT BEGINS BY REFERRING TO LETTER SENT BY WILLIAM ROGERS FORMER U.S. SEC. OF STATE TO BOKASSA ON BEHALF OF SCED SHAREHOLDERS REQUESTING ORDERLY TERMINATION OF COMPANY'S CURRENT AFFAIRS.
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UNDERSTAND NO RESPONSE YET RECEIVED. COMINCO LETTER

CONFIRMS COMPANY'S WISH TO LIQUIDATE AND SPECIFICALLY REQUESTS PERMISSION TO REOPEN SCED OFFICE TO GIVE ACCESS TO COMPANY RECORDS TO DETERMINE BILLS OUTSTANDING, OBTAIN AUTHORITY TO SELL INVENTORY OF DIAMONDS ON HAND AND TO DISPOSE EQUIPMENT.

"B. COMINCO RELUCTANT TO SEND REP TO BANGUI TO ACCOMPLISH THIS OBJECTIVE UNTIL CAR INDICATES POSITIVE RESPONSE.

"C. GAF MET WITH CAR AMBASSADOR PASSING ON COPY OF COMINCO LET. AMB AGREED TO SEND REPORT TO BANGUI RECOMMENDING COMPLIANCE WITH SCED REQUEST.

"D. SUGGESTS YOU REQUEST MEETING WITH BOKASSA OR OTHER AUTHORITY DIRECTLY CONCERNED TO DISCUSS CAR'S RECENT DECISION ON THIS MATTER AND IMPLICATIONS FOR SCED AND ITS CDN MAJOR SHAREHOLDER. PERHAPS REQUEST FOR MEETING SHOULD TAKE FORM OF NOTE TO MFA, BUT THIS PROCEDURE IS LEFT TO YOUR JUDGMENT. WHATEVER YOU DECIDE IT WOULD NOT/NOT SEEM ADVISABLE AT THIS TIME TO REFER TO COMINCO LETTER.

"E. GRATEFUL YOU CONFIRM STORY IN JEUNE AFRIQUE 25 JUNE PP 26 WHICH NOTES SOCIETE CENTRAAFRICAINNE ARABE DES MINES HAS RECEIVED MONOPOLY FOR DIAMOND EXPLITATION IN CAR.

"F. FOR WASHDC, GRATEFUL YOU ADVISE STATE OF OUR MOVE AND INQUIRE AS TO ANY ACTION THEY HAVE TAKEN ON BEHALF OF AMERICAN SHAREHOLDER, DIAMOND DISTRIBUTORS OF NEW YORK. BACKGROUND INFO WILL FOLLOW BY BAG."

3. GRONDIN INDICATED THAT HIS MENTIONING FORMER SECRETARY ROGERS INVOLVEMENT IN DISPUTE IMPRESSED GOCAR AMBASSADOR HERE, WHO SAID HE WOULD TELEPHONE BOKASSA PERSONALLY TO SEE WHAT COULD BE DONE ABOUT "ORDERLY" TERMINATION OF SCED AFFAIRS IN CAR.

4. GRONDIN PROMISED TO INFORM EMBASSY AS SOON AS HE
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RECEIVES WORD FROM CANADIAN AMBASSADOR IN YAOUNDE AS TO FORM OF HIS DEMARCHE TO GOCAR AND ITS RESULTS.

5. IN TEXT OF CABLE QUOTED ABOVE, INITIALS PDT IN PARA A REFER TO PETER TOWE, ASSISTANT UNDER SECRETARY IN EXTAFF, AND INITIALS GAF IN PARA C REFER TO FRANCOPHONE DIVISION, AFRICAN AFFAIRS, EXTAFF.
ENDERS

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